



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-113]

Certain Collated Steel Staples from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2019-2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to producers and exporters of certain collated steel staples (collated staples) from the People's Republic of China (China) during the period of review (POR) from November 12, 2019, through December 31, 2020.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Jinny Ahn or Shane Subler, AD/CVD

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(202) 482-0339 or (202) 482-6241, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 5, 2022, Commerce published the *Preliminary Results*.¹ On November 22, 2022, we released the final verification report and invited parties to comment on the *Preliminary Results*.² For a detailed description of the events that occurred subsequent to the *Preliminary Results*, see the Issues and Decision Memorandum.³ On November 21, 2022,⁴ in accordance

¹ See *Certain Collated Staples from the People's Republic of China: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2019-2020*, 87 FR 47980 (August 5, 2022) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum.

² See Memoranda, "Verification of the Questionnaire Responses of Tianjin Hweschun Fasteners Manufacturing Co., Ltd.," dated November 22, 2022 (Verification Report); and "Case Brief Schedule," dated November 22, 2022.

³ See Memorandum, "Certain Collated Steel Staples from the People's Republic of China: Issues and Decision Memorandum for the Final Results of the 2019-2020 Countervailing Duty Administrative Review," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See Memorandum, "Extension of Deadline for the Final Results of Countervailing Duty Administrative Review; 2020," dated November 21, 2022.

with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), Commerce extended the deadline for issuing the final results until February 1, 2023.

Scope of the *Order*⁵

The merchandise subject to the *Order* is collated staples from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by interested parties in briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is provided in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain revisions to the countervailable subsidy rate calculations for Tianjin Hweschun Fasteners Mfg. Co. Ltd. (Tianjin Hweschun).⁶ As a result of the changes to Tianjin Hweschun's program rates, the final rate for the five non-selected companies under review also changed.⁷ Further, as a result of the changes to Tianjin Hweschun's program rates and other changes made to the derivation of the total adverse facts available (AFA) rate, the final total AFA rate for the non-cooperative mandatory respondents

⁵ See *Certain Collated Steel Staples from the People's Republic of China: Countervailing Duty Order*, 85 FR 43813 (July 20, 2020) (*Order*).

⁶ See Memorandum, "Final Results Calculations for Tianjin Hweschun Fasteners Manufacturing Co., Ltd.," dated concurrently with this notice.

⁷ The five non-selected companies under review are: A-Jax International Co., Ltd., China Dinghao Co., Ltd., Rise Time Industrial Ltd., Shaoxing Bohui Import Export Co., Ltd., and Zhejiang Best Nail Industrial Co., Ltd.

(*i.e.*, China Staple Enterprise (Tianjin) (China Staple) and Shanghai Yueda Nails Co., Ltd. (Shanghai Yueda)) also changed.⁸ These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁹ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Verification

Pursuant to section 782(i) of the Act, and 19 CFR 351.307(b)(iv), we conducted verification of the questionnaire responses of Tianjin Hweschun.¹⁰

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 705(c)(5) of the Act, which provides instructions for determining the all-others rate in an investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 705(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually

⁸ For information detailing the derivation of the AFA rate applied, *see* Memorandum, "AFA Calculation Memorandum for the Final Results in the Administrative Review of Certain Collated Steel Staples from the People's Republic of China," dated concurrently with this memorandum (AFA Calculation Memorandum).

⁹ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

¹⁰ *See* Verification Report.

investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

As stated above, there are five companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross owned with a mandatory respondent. For these non-selected companies, because the rate calculated for the only participating mandatory respondent in this review, Tianjin Hweschun, was *above de minimis* and not based entirely on facts available, we are applying to the five non-selected companies Tianjin Hweschun's subsidy rate. This methodology used to establish the rate for the non-selected companies is consistent with our practice regarding the calculation of the all-others rate, pursuant to section 705(c)(5)(A)(i) of the Act.

Final Results of Review

We find the countervailable subsidy rates for the mandatory and non-selected respondents under review for the period of November 12, 2019, through December 31, 2020, to be as follows:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Tianjin Hweschun Fasteners Mfg. Co. Ltd.	62.18
China Staple Enterprise (Tianjin)	319.30
Shanghai Yueda Nails Co., Ltd.	319.30
Review-Specific Rate Applicable to Non-Selected Companies	
A-Jax International Co., Ltd.	62.18
China Dinghao Co., Ltd.	62.18
Rise Time Industrial Ltd.	62.18
Shaoxing Bohui Import Export Co., Ltd.	62.18
Zhejiang Best Nail Industrial Co., Ltd.	62.18

Disclosure

We intend to disclose the calculations performed in connection with the final results of review to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce has determined, and U.S Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of the final results of review, shall remain in effect until further notice.

Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in

accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results of administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(5).

Dated: February 1, 2023.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Alleged Upstream Subsidies on Galvanized Steel Wire
- V. Diversification of China's Economy
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
- VII. Subsidies Valuation Information
- VIII. Analysis of Programs
- IX. Discussion of the Issues
 - Comment 1: Whether Commerce Should Apply Adverse Facts Available (AFA) to the Export Buyer's Credit Program
 - Comment 2: Whether Commerce Should Conduct the Upstream Subsidy Investigation
 - Comment 3: Whether Commerce Should Apply AFA to the Provision of Wire Rod and Galvanized Steel Wire for Less Than Adequate Remuneration (LTAR)
 - Comment 4: Whether Inland Freight and Value-Added Tax (VAT) Included in the Wire Rod and Galvanized Wire Benchmarks Should Be Removed
 - Comment 5: Whether Commerce Should Apply AFA to the Provision of Electricity for LTAR
 - Comment 6: Whether Import Compliance Costs Should Be Included in the Wire Rod and Galvanized Steel Wire Benchmarks
 - Comment 7: May 2020 Exchange Rate Calculation
 - Comment 8: Ministerial Error in the Benefit Calculations for the Provision of Galvanized Steel Wire for LTAR Program
 - Comment 9a: Provision of Electricity for LTAR Benefit Calculations: Highest Applicable Benchmark Rates
 - Comment 9b: Provision of Electricity for LTAR Benefit Calculations: Benchmark for "Unspecified" Electricity Categories
 - Comment 9c: Provision of Electricity for LTAR Benefit Calculations: Electricity Prices Paid by Tianjin Hweschun
 - Comment 10: Total AFA Rate
- X. Recommendation